



City of Seattle

Gregory J. Nickels, Mayor

Human Services Department

Alan Painter, Director

DATE: September 11, 2009

TO: Housing and Economic Development Committee
Councilmember Richard McIver, Chair
Councilmember Jan Drago, Vice-Chair
Councilmember Bruce Harrell, Member

FROM: Alan Painter, Director *AP for AP*
Human Services Department

SUBJECT: Revision to ARRA Funding Allocations

In May of this year the Council authorized the submittal of an application to the United States Department of Housing and Urban Development for \$3.2 million in money from the American Recovery and Reinvestment Act (ARRA). These funds were allocated to the City via the Community Development Block Grant (CDBG) Program and the funds are known by the acronym "CDBG-R." Section 2 of Ordinance 122992 requires the Council be notified if any changes are made to the allocation or policies governing our use of CDBG-R funds.

This memorandum is to notify you of a change in our allocation of CDBG-R funds. This change does not rise to the level of a "substantial amendment" as defined by the 2009 – 2012 Consolidated Plan for Housing and Community Development. Consequently, no Council action is requested.

We are eliminating CDBG-R funding for facilities improvements to Goodwill Development Association's Teen Parent Home and replacing it with an equivalent amount of regular CDBG funding. The Teen Parent Home will still have its full allocation from the City to help it install a sprinkler system to increase tenant safety and increase service capacity. This swap of CDBG-R and CDBG funds is being done with Seattle Chinatown International District Preservation and Development Authority's project to renovate senior meal space in their Bush Hotel facility. The Bush Hotel project had received an allocation of CDBG-R and regular CDBG funds, so there is no net effect on the requirements of that project.

This change of funding is necessary because the original proposal for the Teen Parent Home was based on an incorrect assessment of the level of sprinkler system performance required for that type of facility. The appropriate level of performance has necessitated a re-bidding of the project and may potentially increase the cost of the project. These factors raise concerns that the project may not get underway in a timely manner as defined by ARRA. As you know, ARRA funds are to be used on projects that can quickly stimulate the economy with jobs and services. The Bush

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Hotel project will be underway soon. Though delayed somewhat, we are still confident that the Teen Parent Home project will be done sometime in 2010.

The total amount of funds involved is \$30,000. Thirty thousand dollars of CDBG-R will be removed from the revenue budget for the Teen Parent Home, to be replaced by \$30,000 of CDBG. Similarly, the Bush Hotel will see an increase in their CDBG-R allocation by \$30,000 and a decrease in their regular CDBG allocation by \$30,000. If you have any questions, please contact Michael Look, CDBG Program Administrator, at 615-1717.

cc: Traci Ratzliff, Council Central Staff
Sara Levin, Human Services Department